

# Rep. Meeks and Sen. Menendez Introduce Corporate Diversity Bill

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Press Release

**Washington, D.C.** - Today, Congressman Gregory W. Meeks, Chairman of the Consumer Protection and Financial Institutions Subcommittee, introduced the *Improving Corporate Governance Through Diversity Act of 2019*, which would require public companies to annually disclose the gender, race, ethnicity and veteran status of their board directors, nominees, and senior executive officers. The bill's companion bill in the Senate was simultaneously introduced by Senator Bob Menendez, who sits on the Senate's Banking Committee.

"Diversity has been proven to have a positive impact on business performance, and it is only natural for investors to want to know which companies are choosing to bring in a wealth of different perspectives into their corporate board rooms. Revealing the gender, racial, ethnic and veteran makeup of these corporate C-suites and boardrooms will not only shed light on the value of diversity, but hopefully encourage corporate shareholders to increase diversity in the highest ranks of their corporations" **said Rep. Gregory W. Meeks.**

"As my Corporate Diversity Survey clearly outlines, there is a diversity problem in our nation's top performing companies," **said Sen. Menendez.** "This bill provides a way forward to promote transparency in corporate America, while highlighting the need for further accountability by companies like the Fortune 100s I have surveyed in the past. As our country undergoes tremendous demographic and economic change, it is time the leaders of America's most successful companies recognize that diversity is not just a buzzword – it's a deliverable."

Corporate diversity has shown to enhance decision making by reducing groupthink and better identify long term threats or opportunities. After analyzing 1,700 companies in 2018, Boston Consulting Group found that "increasing the diversity of leadership teams lead to more and better innovation and improved financial performance. The finding was similarly substantiated by other analyses.

## **Additionally, the bill:**

- Empowers SEC's Office of Minority and Women Inclusion (OMWI) to publish triennially best practices, in consultation with an advisory council of investors and issuers, for compliance with these enhanced disclosure rules.

- Mandates OMWI to create an advisory council consistent with the Federal Advisory Committee Act requiring formal reporting, public openness and accessibility, and various oversight procedures.
- Allows OMWI to solicit public comment on its best practices publication consistent with the formal rulemaking process under the Administrative Procedures Act.

The legislation is supported by the following organizations: “The NAACP, the Urban League, the Council for Institutional Investors, the U.S. Chamber of Commerce.”

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